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# USAID MINING INVESTMENT AND DEVELOPMENT FOR AFGHAN SUSTAINABILITY (MIDAS)

ANNUAL AO AND IR LEVEL REPORT  
1 OCTOBER 2013 – 30 SEPTEMBER, 2014

**Contract Number: AID-306-TO-13-00003**

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## DISCLAIMER

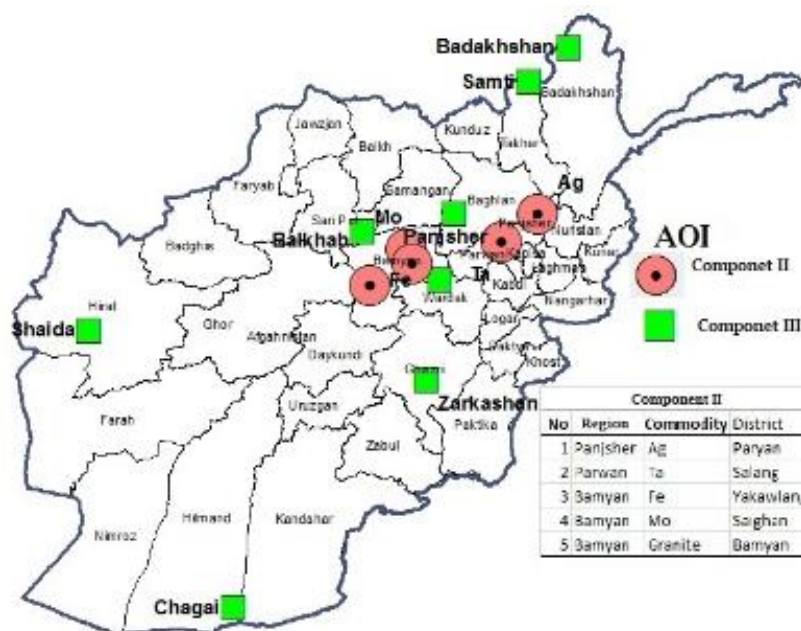
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## LIST OF ACRONYMS

ACOR	Alternate Contracting Officer's Representative
ADB	Asian Development Bank
AGS	Afghanistan Geological Survey
ANDS	Afghanistan National Development Strategy
APPF	Afghanistan Public Protection Force
ASI	Adam Smith International
CBAGS	Capacity Building of AGS (component of WB SDNRP)
CCN	Cooperating Country National
CO	Contracting Officer
COP	Chief of Party
COR	Contracting Officer's Representative
CPFF	Cost-Plus-Fixed-Fee Contract
DFID	Department for International Development (UK Government)
DTL	Deputy Team Leader
EGGI	Economic Growth and Governance Initiative
EI	Extractive Industry
E-WP	ECC Water & Power LLC
GFE	Government Furnished Equipment
GIRoA	Government of the Islamic Republic of Afghanistan
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IARCSC	Independent Administrative Reform and Civil Service Commission
IMC	Inter-Ministerial Committee
MIDAS	Mining Investment and Development for Afghan Sustainability
MoMP	Ministry of Mines and Petroleum (formerly Ministry of Mines)
MOWA	Ministry of Women Affairs
NAPWA	National Action Plan for Women in Afghanistan
NDS	National Directorate of Security
OAA	USAID/Afghanistan Office of Acquisition and Assistance
OEGI	USAID/Afghanistan Office of Economic Growth and Infrastructure
OGM	Oil, Gas and Mineral
PPP	Public Private Partnership
SDNRP	Sustainable Development of Natural Resources Project (WB)
SRK ES	SRK Exploration Services
SME	Small and Medium-sized Enterprise
TAFa	Trade Access and Facilitation for Afghanistan
TAMOMP	Technical Assistance for Ministry of Mines and Petroleum Project
TCN	Third-Country National
TFBSO	Task Force for Business and Security Operations
TL	Team Leader
TO	Task Order
USAID	United States Agency for International Development
USGS	United States Geological Survey
USN	United States National
WB	World Bank

# PROJECT OBJECTIVE

The objective of the USAID MIDAS project is to support the Government of the Islamic Republic of Afghanistan to efficiently and responsibly develop the mining sector. The project is divided into three components. The first component focuses on developing the legal and policy framework for the mining sector. The second component focuses on mineral exploration and capacity building for the Ministry of Mines and Petroleum. The third component focuses on private sector development to foster a strong enabling environment for small and medium-sized Afghan enterprises in the extractives industry.



Contract Information	
Project Title	Mining Investment and Development for Afghan Sustainability (MIDAS)
USAID Contract Number	AID-306-TO-13-00003
Contracting Officer's Representative (COR)	Khalid Ludin
Contracting Officer	Maychin Ho
Current Period of Performance	April 2013 – September 2014
Prime Contractor	ECC Water and Power LLC
Subcontractors	Flag International, Kiron Global Strategies, Sheladia Associates Inc.

# INTRODUCTION

The Mining Investment and Development for Afghan Sustainability (MIDAS) project is a four-year USAID/Afghanistan initiative to support an enhanced role for the private sector in Afghanistan's economic growth by complementing and supporting the Government of the Islamic Republic of Afghanistan (GIROA) to generate rapid improvements to the Afghanistan government's income of at least \$500 million a year in its Balance of Trade.

The overarching task of MIDAS is to prepare a pipeline of eight to 10 large mineral projects and make them ready as tenders and contracts by end of MIDAS project in 2017. All efforts of mentoring and trainings to Ministry of Mines and Petroleum (MoMP) and Afghanistan Geological Survey (AGS) should be directed toward the eight to 10 awards to fast-track sustainability and Afghan ownership.

The primary objective is to prepare a pipeline of eight to 10 large mineral projects and award them as tenders and contracts by the end of the MIDAS project.

The secondary objective is to incorporate efforts of mentoring and trainings to MoMP/AGS staff within eight to 10 projects to fast-track sustainability and Afghan ownership. This objective is in line with the USAID Forward pillar to promote sustainable development through high-impact partnerships and local solutions.

The general scope of work required has been divided into three components, each of that is designated to produce specific results while contributing to the overall project purpose:

## **a) Component I – Reforming Mining Policy and Regulation**

Component I is designed to strengthen the legal and regulatory environment for the Extractive Industries sector and to assist Afghanistan in developing that sector into an investor-friendly force for its economy. A new Mining Law is slowly making its way through Parliament and will need to be fleshed out with regulations, as well as internal procedures for MoMP. In addition, other pieces of legislation will be required for transforming the sector into a modern minerals sector, including measures relating to royalties, taxes, environment, and licensing. Component I will address all of these issues.

## **b) Component II – Strengthening Capacity at the MoMP**

Component II intends to assist the Ministry and AGS in developing a “pipeline” of mineral projects that can be brought to market in 2014 and beyond. This component also aims to build value in these grass-roots projects through targeted exploration work, including drilling, that will be funded through an on-budget financing facility. Concurrent with the mineral exploration work, Component II team members will provide technical and financial capacity development across a number of MoMP and AGS Directorates, as well as training in GIS and 3-D ore deposit modeling software to AGS staff.

## **c) Component III – Supporting the Private Sector and Mining Project Development**

Component III aims to build the general and technical capacity and knowledge of the MoMP and among communities, civil society organizations, and SMEs on private sector development, participation in procedures concerning plans, programs and policies relating to environment, awarding public procurement contracts or grants and development of procedures, as well as communication and networking in the Extractive Industry (EI) under particular consideration of gender, transparency, and anti-corruption aspects.

## **TERMS OF REFERENCE**

This report serves as the annual assistance objective level report for the Mining Investment and Development for Afghanistan Sustainability (MIDAS) project. As per the task order agreement, MIDAS is required to provide report to USAID in accordance with AIDAR clause 752.242-70 and the annual report is required as per the section – F, subsection A “Annual AO and IR Level Results Report”.

# PROJECT RESULTS FRAMEWORK

The Results Framework is a guide to the project activities required to accomplish intended results. It is a necessary foundation for work planning, performance monitoring, and quality assurance. The results framework maps out project activities designed to achieve USAID's higher-level Assistance Objectives (AOs) stated in the Mission-wide USAID Afghanistan Results Framework PMP; and to contribute to its short and long-term results.

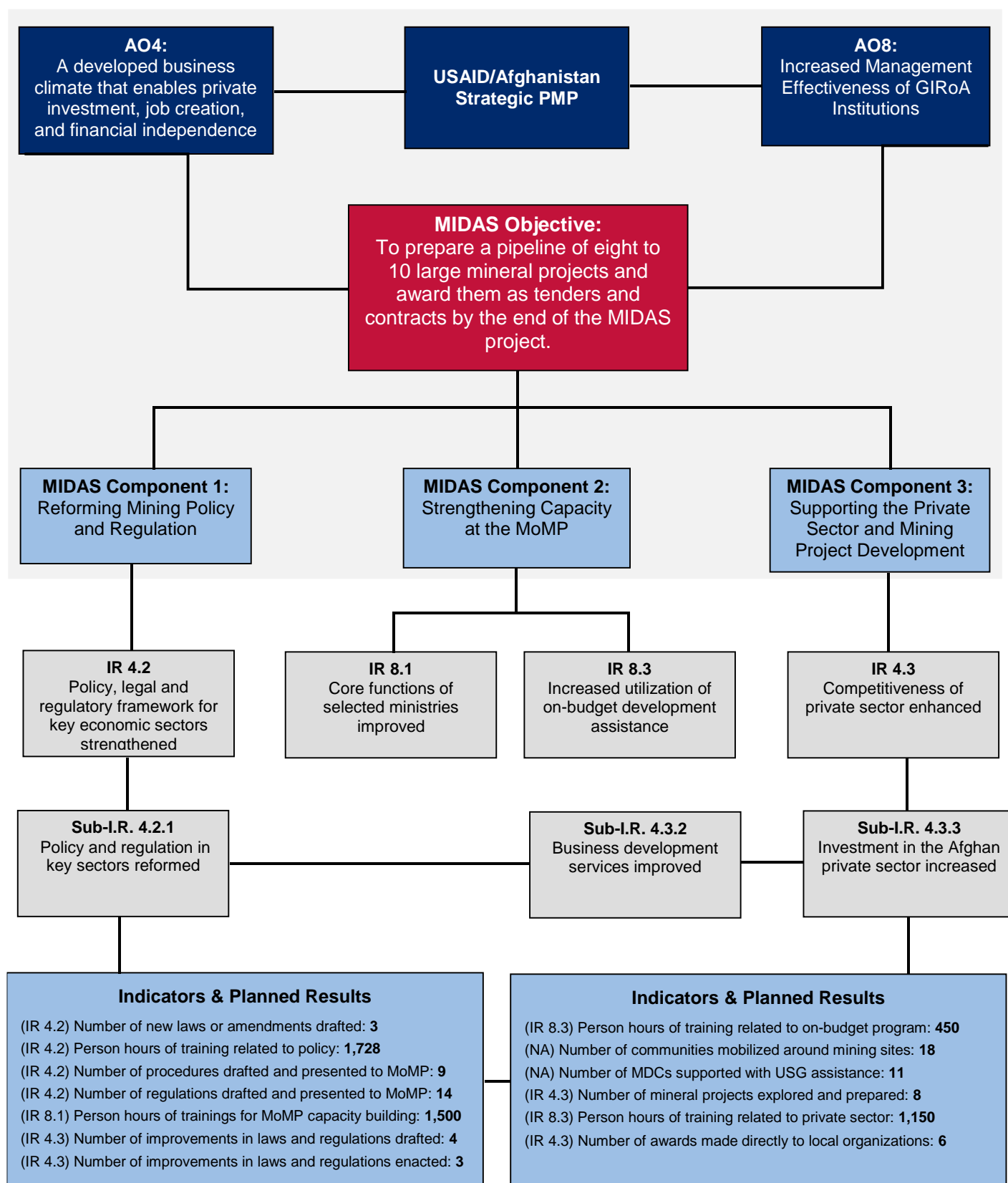
MIDAS contributes to two of USAID/Afghanistan's AOs: *AO4: A developed business climate that enables private investment, job creation, and financial independence*, and *AO8: Increased Management Effectiveness of G/RoA Institutions*; and to their Intermediate Results (IRs) 4.2, 4.3, 8.1 and 8.3. Indicators were chosen to contribute to the achievement of these AOs and IRs. The indicators chosen are meaningful, necessary, and sufficient. The indicators will accurately verify and measure results of the project in line with ADS 203 requirements.

Moreover, this annual report provides progress against pre-defined targets that were selected during the development of the Performance Management Plan (PMP), and approved by USAID. The MIDAS Performance Management Plan was approved on February 19, 2014 and MIDAS has implemented the project activities in line with the project PMP and indicators.

As part of the project Performance Management Plan, MIDAS has also developed a comprehensive Results Framework (RF) that precisely corresponds to the USAID Assistance Objectives, Intermediate Results and subsequent sub-intermediate results. The indicators developed are also based on these objectives. Moreover, MIDAS indicators are drawn from the standard indicators' list of USAID, while some of the indicators are custom made indicators that specifically fall under the MIDAS component activities.

Following is the MIDAS Results Framework illustrated in figure 1.

**Figure 1: MIDAS Results Framework**





# ANNUAL PROGRESS SUMMARY

## COMPONENT I: LEGAL AND REGULATORY REFORM:

Component I provides technical assistance to the MoMP in tender process development, contract negotiations, and contract management. MoMP and the Afghan Parliament are being guided to adopt investor and environmentally-friendly laws and regulations according to international best practices. Special attention is paid to ensure that reforms protect the rights of the Afghan people and government. In order to achieve this objective, MIDAS has implemented a number of activities, summarized as following:

- 1) Development of Regulations:** MIDAS Component I drafted and submitted to MoMP three regulations. These include regulations on health & safety, use of explosives in the mining sector and the technical regulation.
- 2) Updating Tender Documents:** The Legal and Regulatory Reform team reviewed and updated tender documents used by the MoMP for small-scale mining deposits. The goal of the review was to standardize bidding documents in line with the mining law and regulations, and make it easier for firms to bid on mining contracts. The Legal and Regulatory Reform team also drafted a model contract for small-scale mining. The focus was to make the contract in compliance with international standards and Afghan law based on hours of research on the use of small mining contracts around the world.
- 3) Training sessions held:** MIDAS Component I provided 450 person hours of training through three workshops on legislative drafting & law making techniques, Production Sharing Contracts and training on New Minerals Law for MoMP staff during the reporting period. MIDAS will continue trainings sessions on the new Minerals Law for more MoMP staff during the option period of the project.
- 4) Legal Support to MoMP:** During the FY 2014, MIDAS legal advisors have provided legal support on several occasions, mainly during contract negotiation sessions and sessions with Parliamentarians to discuss the new Mining Law. As part of the legal assistance to MoMP, MIDAS advisors assisted in the review and finalization of four mineral exploration contracts for potential gold deposits in Badakhshan and Zarkashan, and potential copper deposits, in Balkhab and Shaida. These deposits are critical for jumpstarting the mining sector. Three MIDAS local legal advisors, embedded in MoMP, have provided regular legal support to MoMP's legal department with support from MIDAS Component I Team Leader.

## COMPONENT II – STRENGTHENING CAPACITY AT THE MOMP:

Under this component, MIDAS intends to assist MoMP and the Afghanistan Geological Survey (AGS) in developing a pipeline of mineral projects that can be brought to market during the life of MIDAS project. This component also aims to build value in these gross-roots projects through targeted exploration work, including drilling, that was planned to happen through the on-budget financing facility. In line with this overarching objective of the component, MIDAS provided extensive training programs to MoMP and AGS technical staff during this period of reporting, and have intensively built the capacity of the Ministry to contribute in the achievement of MIDAS objectives, as well as strengthening the Ministry to respond to international standards in creating a responsive Ministry for development of the country's mineral sector.

MIDAS component II implemented a number of activities, and produced valuable and tangible results that include:

- 1) **Training and Capacity Building:** Component II provided 2069 person hours of trainings on different topics for MoMP and AGS technical staff during the FY2014. Capacity building of MoMP and AGS staff is a key function for MIDAS Component II. MIDAS put strong focus on strengthening capacity within MoMP and AGS during base period of the project to ensure field teams at AGS are ready for the field exploration work to be carried out by MIDAS during the project's Option Period I, pending timely approval of on-budget funding by USAID.
- 2) **Field Missions with AGS:** A labor strike by AGS field teams hampered MIDAS Component II's plans for joint field missions during a significant portion of the project's base period. Yet, Component II organized several field trips to Panjshir, Parwan and Bamyan Provinces with AGS field teams. The trips served as a preparation for the expected MIDAS exploration work in the coming year as well as on-the-field training for junior AGS and MIDAS geologists. Field missions provided an opportunity for AGS field teams to apply skills they had learned during class trainings in the field under close supervision of MIDAS advisors.
- 3) **Technical advisory services to MoMP:** MIDAS international and national advisors have regularly provided on-demand technical support to MoMP and AGS. MIDAS Component II has also provided assistance to the office of the Deputy Minister for Policy and Programs in the key areas including research, consultations and preparation of written materials related to the Extractive Industry Development Framework (EIDF); advice on Mineral Fiscal Regime Working Group's findings and recommendations; a wide range of mining policy issues and to develop list of long-term reforms and updating 2010-2015 MoMP Business Plan.

### **COMPONENT III: MINING-RELATED ENTERPRISE DEVELOPMENT:**

Component 3 provides technical assistance to improve the services of Afghan SMEs in geo-science, construction, transportation and consulting work related to the extractives sector. It introduces Afghan SMEs to new market opportunities in the mining value chain, and ensures that local communities benefit and are included in the planning process. It facilitates the creation of jobs directly and indirectly from mining sector investments and activities. Component 3 also facilitates communication between the different stakeholders and engages communities living near mining sites to ensure they are also included in the planning process. Main activities accomplished under component III during this reporting period include:

- 1) **Knowledge hub sessions:** During the FY 2014, MIDAS component III held 14 sessions of knowledge hub attended by representatives from SMEs, MoMP departments, donor projects working with MoMP and civil society organizations. The aim of these sessions have been to encourage information sharing among donor projects, private sector and ministry officials.
- 2) **Mining Awareness Campaign:** For this purpose, four provincial workshops were held in Bamyán and Badakhshan Provinces and provincial directors from all 34 provinces were trained on different topics related to mining awareness among communities. To ensure sustainability, MoMP staff has attended the provincial workshops conducted by MIDAS. Training materials have been handed over to MoMP to help them conduct similar awareness sessions in other provinces.
- 3) **Training Sessions for SMEs:** MIDAS Component III has provided around 8749 person hours of trainings for representatives of SMEs, CSOs, community-based councils and MoMP staff on topics related to private sector development, mining awareness for communities, gender awareness, community engagement, access to finance, database training and group presentations for private drilling companies.
- 4) **Afghan Mining Enterprise Initiative (AMEI):** MIDAS Component III gathered six top local drilling companies to launch the AMEI, a tailored mentorship program designed to improve their technical skills and service delivery. The goal of the program is to enable the firms' to win drilling contracts in the mining sector, grants for business development, and gain ISO certification. Both theoretical and one-on-one individual sessions were held for the staff of the six drilling companies in areas identified through an initial assessment done by MIDAS advisors. In total, 8 group presentations of 2.5-hour duration each were delivered for representatives of six companies. Each group presentation was followed by 1.5 hours of coaching per company (72 hours of coaching over a period of 8 weeks.) MIDAS Advisor spent on average 4 hours per week over a period of 8 weeks (32 hours in total) with six firms in the form of mentoring to discuss the strategic impact of AMEI program on their respective companies.
- 5) **Study tour to Kyrgyzstan:** MIDAS component III conducted a study tour and took a group of officials from the Ministry of Mines and Petroleum (MoMP) and community representatives to Kyrgyzstan to learn how the nation developed its mining industry and how to adopt best practices upon return. The participants visited the KUMTOR Gold mine and met with the government to learn how they interact with citizens living near mining areas. The participants learned about mining practices in Kyrgyzstan and how the government regulates and develops the mining sector.

# PROGRESS AGAINST KEY PERFORMANCE INDICATORS

This section briefly describes progress against key performance indicators. MIDAS PMP defines indicators and targets for key component activities. In total, there were 11 indicators set for the FY 2014 for all three components. Below is a brief summary of indicators' progress for each component:

## Component I:

1. **Number of new laws or amendments drafted and presented to MoMP with USG assistance.** MIDAS was able to achieve the set target for this indicator and supported the MoMP to write one amendment to the new Minerals Law in July and helped MoMP submit this draft legislation to the Parliament.
2. **Person hours of training completed for MoMP staff related to policy and regulation development and improvement with USG assistance.** MIDAS Component I exceeded the set target of 288 person hours of training for this indicator and provided 450 hours of trainings through 3 trainings sessions for MoMP staff.
3. **Number of procedures drafted and presented to MoMP for approval with USG Assistance.** The set target for this indicator was 4 which could not be achieved during FY 2014 due to delay in the passage of the new Minerals Law until almost the end of the reporting period. Passage of the new Minerals Law was required before procedures could be written.
4. **Number of regulations drafted and presented to MoMP for approval with USG Assistance.** The new Minerals Law was not passed until almost the end of the reporting period. In order to write regulations, it requires the passage of the law. Notwithstanding that, MIDAS began to write regulations in anticipation of the passage of the law and 3 regulations have been drafted and presented to the Ministry during the reporting period. Two regulations, Explosives and Health & Safety, have been accepted by the MoMP and sent out, while the Technical Regulation is being reviewed by MoMP. The target set for this indicator for FY 2014 was six (6) because MIDAS assumed one regulation will be developed for each delegation of authority made by the new Minerals Law. Seventy-seven (77) delegations of authority were made by the new law. Instead of writing separate regulations for every delegation, these were consolidated into four logical groups of approximately 19 each. The three regulations drafted by MIDAS are actually 3 groups of regulations. Therefore, we have made good progress to meeting this target. The target set for the life of project for this indicator will be revised to reflect the new number of regulations required under the new Minerals Law.

## Component II:

1. **Number of mineral projects explored and prepared with MoMP and AGS for tendering in line with international best practices.** The target for FY 2014 for this indicator was set as one (1) mineral project to be explored and prepared for tendering in line with international best practices. The target for this indicator was not achieved because on-budget funding for exploration drilling not released by USAID during the FY 2014. Also, approval could not be secured from USAID for the use of off-budget funding for drilling purposes. A third reason was that AGS field teams were on strike during the spring and summer due to budget shortfalls in the Afghan government.
2. **Person hours of trainings provided to MoMP and AGS personnel in technical, geo-science and financial management best practices with USG assistance.** The set target for this indicator was 600 person hours of training and MIDAS Component II provided 2069 person hours of training, which far exceeds the set target. It is a positive note that the AGS Director and MoMP requested more training for their staff, although AGS and MoMP staff capacities were much lower than expected. As mentioned earlier, the AGS had budget deficits so it was unable to send its field teams for exploration work, and as on-budget funding was not released by USAID, MIDAS advisors had additional time to hold more training sessions for AGS and MoMP staff.
3. **Person hours of trainings provided to key MoMP personnel on the on-budget and its procedures with USG assistance.** The set target of 150 person hours of trainings for this indicator was not achieved because the on-budget funding was not approved by USAID and this training was linked to the activities under the on-budget funding. Also, the former Procurement Director was not willing to conduct any training since he was waiting for certification on procurement procedures from the Afghan government's central procurement facilitation service provider, ARDS, before planning any training sessions for his staff.

### Component III:

1. **Person hours of trainings completed in business enabling environment supported by USG assistance.** The target set for the indicator was 250 person hours of training during the FY 2014. Increased demand by SMEs and MoMP officials allowed us to exceed this target. MIDAS Component III provided a total of 8749 person hours of training for representatives of SMEs, MoMP staff and representatives of civil society organizations during the reporting period on topics related to provision of business enabling environment for private sector.
2. **Number of improvements in laws and regulations affecting the registration and operation of micro or small enterprises drafted with USG assistance.** A major planned activity under MIDAS component III was to help the MoMP improve laws and regulations affecting the registration and operation of micro or small enterprises working in the mining value chain. The target set for this indicator during the FY 2014 was one, which could not be achieved mainly because the top three positions in Mineral Sectors Development Directorate (MSDD), including the Director responsible for drafting the regulation on registration and operation of small enterprises, have been vacant during the reporting period. Therefore, there was no authority in the MSDD with which to work.
3. **Number of communities mobilized around mining sites.** The set target for this indicator was 2 communities to be mobilized around mining sites during the reporting period. MIDAS Component III achieved the target and mobilized the communities in Bamyan and Badakhshan through four mining awareness and community engagement workshops.
4. **Number of Mining Development Committees (MDCs) supported with USG assistance.** One existing Mining Development Committee in Bamyan was supported by inviting members of the MDC to the provincial workshops on mining awareness and community engagement topics conducted by MIDAS Component III. Also, the stakeholders in Badakhshan were briefed on the benefits of establishing an MDC, and we expect an additional new MDC to be developed in Badakhshan soon. One out of the 2 set targets was achieved during the reporting period.

## SUMMARY OF KEY PERFORMANCE INDICATORS ACHIEVED VS. PLANNED FY 2014

MIDAS Relevant AOs					
AO4: A developed business climate that enables private investment, job creation, and financial independence					
AO8: Increased Management Effectiveness of GIRoA Institutions					
IRs	Sub-IRs	Key Performance Indicator (KPIs)	Target for this reporting period	Achieved this reporting period	Status
4.2	4.2.1	Number of new laws or amendments drafted and presented to MoMP with USG assistance	1	1	MIDAS supported the MoMP to write an amendment to the new minerals law in July and helped them submit it to Parliament
4.2	4.2.1	Person hours of training completed for MoMP staff related to policy and regulation development and improvement with USG assistance.	288	450	MIDAS Component I exceeded the target set for this indicator
4.2	4.2.1	Number of procedures drafted and presented to MoMP for approval with USG Assistance.	4	0	The minerals law was not passed until almost the end of the reporting period. In order to write procedures, it requires the passage of the law
4.2	4.2.1	Number of regulations drafted and presented to MoMP for approval with USG Assistance.	6	3	The minerals law was not passed until almost the end of the reporting period. In order to write regulations, it requires the passage of the law. Notwithstanding that, MIDAS began to write regulations in anticipation of the passage of the law and three regulations have been drafted and presented to the Ministry during the reporting period. The Explosives and Health & Safety have been accepted by the MoMP and sent out while the Technical Reg is being reviewed by MoMP. 77 delegations of authority were made by the new law. Instead of writing separate regulation for every delegation, they were consolidated into four logical groups of approximately 19 each which was decided by MoMP after the PMP was approved. Thus, in the sense of writing regulations, we have far exceeded the target.

<b>4.3</b>		Number of mineral projects explored and prepared to MoMP for tendering in line with international best practices.	1	0	On-budget funding for exploration drilling not released by USAID.  Lack of approval by USAID to use off-budget funding for drilling purposes.  AGS field teams on strike for spring and summer due to budget shortfalls in the Afghan govt
<b>8.1</b>		Person hours of trainings provided to MoMP and AGS personnel in technical, geo-science and financial management best practices with USG assistance.	600	2069	At the request of AGS Director and MoMP, more trainings were held for AGS and MoMP staff  Lack of field work both from MIDAS due to on-budget issue and AGS
<b>8.3</b>		Person hours of trainings provided to key MoMP personnel on the on-budget and its procedures with USG assistance.	150	0	On-budget funding was not approved. Since, training regarding on-budget is dependent on approval of on-budget funding.  Former Procurement Director not willing to conduct any training since he was waiting for certification from ARDS
<b>4.3</b>		Person hours of trainings completed in business enabling environment supported by USG assistance.	250	8749	MIDAS component III exceeded the set target due to low level of capacity among MoMP staff and need for more trainings than expected at the beginning
<b>4.3</b>		Number of improvements in laws and regulations affecting the registration and operation of micro or small enterprises drafted with USG assistance.	1	0	The top three positions in MSDD including the Director, responsible for drafting the regulation on registration and operation of small enterprises, have been vacant during the reporting period. Therefore, there was no authority in the MSDD to work with
<b>N/A</b>		# of communities mobilized around mining sites.	2	2	Communities in Bamyan and Badakhshan were mobilized through four mining awareness and community engagement workshops
<b>N/A</b>		# of Mining Development Committees (MDCs) supported with USG assistance.	2	1	One existing Mining Development Committee in Bamyan was supported. Stakeholders in Badakhshan were also briefed on the benefits of establishing an MDC, and we hope a new MDC will be developed in Badakhshan soon.



## Challenges and Constraints

Following is a summary of major challenges faced during the base period of MIDAS:

- The delay in passage of the mining law caused uncertainty for the government and private sector. Slow progress on new minerals law during most part of the reporting period hampered attracting investors into the minerals sector, and the securing of commitments on concession work programs.
- Continued delays in release of On-Budget Funding had significant impacts on MIDAS's planned work activities in 2014. The inability to do pre-drilling field work and drilling for mineral projects delayed training of AGS geologists, preparation of Technical Reports, and delivery of tender-ready mineral projects to the ministry.
- The delay in approval of a contract modification that could allow MIDAS to undertake limited drilling activities in late 2014 and early 2015, delayed the planning process for these activities.
- Following the election of a new president, it is expected that the top leadership positions at the Ministry and AGS will change. This uncertainty has delayed any decision making in the ministry.
- The AGS field teams were on strike over unpaid 2013 field work per-diems and other allowances and top-ups previously paid by GIRoA and other donors. The ministry is financially unable to provide the requested funds. The result was a refusal by AGS field teams to travel outside of Kabul for mineral exploration work, training, and capacity development which was only recently resolved.
- Key MoMP positions remain unfilled. The Ministry has delayed filling key leadership positions (since late 2013) in the Procurement, Mineral Project Development & Investment Promotion Directorates, hampering MIDAS Component 2's efforts to deliver requested trainings and complete other activities in the work plan.
- Insecurity in provinces prevented site visits by MIDAS's Component III. MIDAS's team who went to Badakhshan province in order to hold mining awareness and community engagement workshops also wanted to take the workshop participants to a mining area, but was advised by provincial authorities to avoid visiting mining areas due to security problems.
- Collapse in commodity prices in global markets caused a decrease in investors' interest in mineral exploration, particularly for early-stage projects such as the MoMP and AGS are developing.
- Impact of a Long-Term Interim Minister - Being put in a difficult position of really being just a caretaker, it has seemed that the Ministry has more or less been on autopilot for the past year, with the approval of the new Mining Law by Parliament being the only real achievement. Since January, the mood within much of the Ministry (and AGS) has been one of waiting and watching, looking ahead to a new President and new Ministers with new agendas / directions. The lack of clear, concise direction from the top permeated the Ministry, making it hard (until very recently) to develop consensus and enthusiasm for moving work projects ahead.
- The unexpected return of the Deputy Minister of Policy and Programs, MoMP, in late June has been a mixed blessing. On the positive side, he brings a new energy, focus and ideas to the Ministry. Less than positive are the demands his side of the Ministry have required 100% of two MIDAS local advisors' time. It is great that he has taken an active role and given our national

advisors at the Ministry so much to do, but it has been a major challenge to respond to the demands by the Deputy Minister's office during the last three months of the Base Period while attending to all of the other items on our Work Plan centered on the Ministry.

- Quality of prior AGS technical work was often less than anticipated. MIDAS found wide variability of the skills and training amongst the AGS staff. Therefore, it was determined that AGS and MoMP staff require more training than MIDAS originally thought. Added to this was frequent unwillingness of the AGS to share technical data, often requiring us to get letters from the AGS Director and sometimes even the Minister of Mines and Petroleum to get certain information released to us.
- Lack of qualified national geologists - while MIDAS has a great team of national geologists, Component 2 believes that it needs to further increase staffing to properly serve the training and capacity-development needs of the AGS in 2015 and beyond (this is also based on feedback from our AGS counterparts). The AGS appreciates the international staff, but the language barrier calls for adding more national geologists to our team. There is a very limited number of qualified Afghan exploration geologists, and it will be a challenge to bring additional local geologists on board.

## Lessons Learned

- Proper communication with the Ministry officials on the goals and scope of the project and getting their buy-in is key for the project's success. Broad participation and regular communication helps to manage expectations from the Ministry counterparts.
- Realistic targets need to be established considering the difficulties in working with the Ministry and AGS.
- MIDAS has waited for the passage of the Minerals Law for long, and much could have been done by the Ministry in the intervening.
- MIDAS has learned that working with AGS is problematic, and there should be sufficient political will within AGS to streamline activities with them, and ensure that AGS cooperates in terms of providing their personnel for field exploration;

## Annex I: LIST OF DELIVERABLES FY 2014

Deliverables Tracker Sheet				
#	Name of Deliverable	Date Submitted	Component #	Remarks
1	Rapid Appraisal Report	18-Jun-13	ALL	
2	Gender Assessment of MoMP	18-Jul-13	CI	
3	Organizational Structure Report	23-Jul-13	CII	
4	Training and Capacity Building Plan-Component III	18-Aug-13	CIII	
5	Training and Capacity Building Plan for Component II	29-Aug-13	CII	
6	Branding Implementation Plan	30-Oct-13	ALL	
7	Bernd STTA Trip Report	7-Nov-13	CII	
8	Comprehensive Plan for Mineral Targets for Exploration and Tender Process Development	18-Nov-13	CII	
9	SMEs Assessment Results Report	18-Nov-13	CIII	
10	Gender Assessment Results Report	18-Nov-13	CIII	
11	Comprehensive Plan for SME Development	18-Nov-13	CIII	
12	Performance Management Plan	18-Nov-13	ALL	
13	Bamiyan Trip Report (this was not a required deliverable in the original MIDAS SOW / TOR)	19-Nov-13	CIII	
14	Response on Mining Law	1-Dec-13	CI	
15	Legal and Regulatory Assessment	15-Dec-13	CI	
16	Training and Capacity Building Plan for Component I	15-Dec-13	CI	
19	MIDAS Work Plan Year I (October 2013 - September 2014)	15-Dec-13	ALL	
17	Comprehensive Plan for reforming mining policy and regulation	18-Mar-14	CI	
18	Phosphate Report (this was not a required deliverable in the original MIDAS SOW / TOR)	17-Jul-14	CII	

## ANNEX II: KEY ACTIVITIES ACCOMPLISHED During FY 2014

Project Component	Activity Description	Target of Activity	Expected Outcome of Activity	Dates of Activity	Location Information				
					Province	District	Village	Lat	Long
Component II	Exploration Visits to Silver House Area of Interest (AOI) in Panjshir	To search for evidence of silver	Historic evidence of prior mining activity discovered in the Silver House areac		Panjshir	Paryan			
Component II	GIS/GPS training for 16 employees of Cadastre Department o MoMP	To train MoMP staff on how to accurately record GPS coordinates and plot them on the map using GIS	Increased knowledge of MoMP staff on the use of GPS units and GIS software	December 2013 (?)	Kabul	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381
Component II	Training sessions on windlasses, sluices and dry-washers for AGS staff	To introduce new, low-cost technologies used for exploration in the mining sector to the AGS staff	Increased practical skills and knowledge of AGS staff on the topics taught	December 2013 (?)	Kabul	Kabul	Maslakh AGS	34.529147	69.19845
Component II	Geo Mapping in Google Earth training held for 59 AGS personnel. GPS units were also awarded to the training participants.	To train AGS staff on the use of google earth in mining exploration	Improved knowledge and skills of participants on using google earth for exploration purposes in mining industry	7-11 Jan-14	Kabul	Kabul	Maslakh AGS	34.529147	69.19845
Component II	Geo Mapping in Google Earth Training held for 21 female staff of MoMP and 2 female staff from the private sector.	To train MoMP and private sector staff on the use of google earth in mining exploration	Improved knowledge and skills of participants on using google earth for exploration purposes in mining industry	14-Jan-14	Kabul	Kabul	Maslakh AGS	34.529147	69.19845

Component III	Knowledge Hub launched. MoMP Legal Department's activities explained to all MoMP directors and donor program representatives	To let other directors and donor programs representatives know about the major activities and future plans of the legal department of MoMP	Improved coordination and interaction	26-Jan-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component II	Paleontology Training held for 35 AGS field team members, including 3 females.	To train 35 AGS staff on paleontology	Improved knowledge of participants on paleontology – a sub science of geology	28-29 Jan-2014	Kabul	Kabul	Maslakh AGS	34.529147	69.19845
Component III	Presentation delivered on "Private Sector Development: Increasing Afghan Participation in Mining Value Chain" to the staff of the MoMP and other donor projects working with the MoMP.	To raise the awareness of the MoMP and donor projects' staff on opportunities for Afghan businesses in mining value chain	Improved understanding of participants regarding opportunities for small business in mining value chain	2-Feb-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	Sessions on mineral economics held for MoMP staff and other donor projects representatives on mineral economics.	To explain role of mining in economy	Increased knowledge and awareness of the participants	10, 12 and 17 Feb 2014	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	A training workshop entitled "What you need to know about mining" held for 146 staff from MoMP, private sector, NGOs and civil society organizations	To train 200 persons from MoMP, NGOs, private sector and CSOs on mining related topics	Increased awareness of participants and through them of the community members of different mining-related topics	23-26 Feb-14	Kabul	Kabul	Maslakh AGS	34.529147	69.19845
	Three MIDAS Advisors accompanied Minister of Mines and Petroleum to the Prospectors and Developers Association of Canada (PDAC Conference held in Toronto, Ontario (Canada).	To attract new investment to Afghanistan.	Increased understanding of international investors regarding mining in Afghanistan and possibly increased attraction of investment to Afghanistan	3-6 Mar-14	Toronto	Toronto	City		
	Ministry of Mines and USAID OAPA discussed Afghanistan's Mineral Development in Washington DC.	To improve foreign investment in Afghanistan's mining sector and to present MIDAS exploration drilling program for 2014	Increased understanding of international investors regarding mining in Afghanistan and possibly increased attraction of	6-Mar-14	Washington DC	DC	City		

			investment to Afghanistan						
Component III	A training workshop entitled "What you need to know about mining" held for 40 staff from MoMP, private sector, NGOs and civil society organizations in Bamyan	To train 200 persons from MoMP, NGOs, private sector and CSOs on mining related topics	Increased awareness of participants and through them of the community members of different mining-related topics	8-10 Mar-14	Bamyan	Bamyan	Noorband Qala Hotel	34.82596	67.83033
Component III	Presentation delivered on "Private Sector Development: Maximizing Afghan Participation in Mining". In attendance were 30 participants from MoMP, private sector CSOs and other projects working with the MoMP.	to provide information on tools and policies that can maximize Afghan participation in mining and can enable Afghan businesses	Increased Afghan participation and improved capacity of Afghan firms to win contracts in mining value chain	16-Mar-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	The World Bank-funded ARCP project presented its activities, achievements and plans to MoMP senior staff and other donor projects representatives	To let MoMP senior staff and other donor programs representatives know what ARCP has accomplished and plans to do	Improved coordination and avoid duplication of activities	17-Mar-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	MoMP Human Resources new protocols for the new year, manual on Stakeholder's Engagement and information on training need assessment presented by HR director to other MoMP staff and donor projects representatives.	To present new HR protocols and policies	Improved coordination of training efforts between the ministry and donor projects supporting the MoMP	24-Mar-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	MIDAS advisors shared results of SME and Gender Assessment located near potential mine developments in nine provinces with the staff from the MoMP and other donor projects working with the ministry. Increasing female participation in the mining sector was also discussed.	To share the findings of the assessment for use by the MoMP and other donor projects within the MoMP	Improved understanding of the MoMP and other donor projects within the ministry regarding the existing SMEs around mining sites	31-Mar-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603

Component I	A workshop on legislative drafting and law making techniques held at Ministry of Mines and Petroleum (MoMP) for 23 officials from MoMP and the Ministry of Justice.	To educate participants on the drafting and review of laws, regulations, procedures, and contracts, as well as how to structure a bill.	Increased knowledge of participants on how clear, transparent, and more targeted legislation can help address problems within the legal sector	28 May-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component II	Field geologists traveled to Saighan District of Bamiyan province to verify prior exploration work of AGS and to collect samples of Molybdenum.	To verify existence of molybdenum and as a pre-drilling preparatory activity	Verification of existence of molybdenum in the area and improved coordination with MoMP directorate and community elders	8-15 Jun-14	Bamiyan	Saighan	Qalacha and Khwaja Kisht	35.11861	67.50556
Component II	A 3-day GPS and GIS training held for 18 MoMP staff members.	To train AGS staff on the use of GPS units for recording coordinates and the use of GIS for creating maps	Improved knowledge and skills of participants on using GPS units and GIS software in mining industry	14-16 Apr-14	Kabul	Kabul	Maslakh AGS	34.529147	69.19845
Component II	A three-day workshop held for 10 staff from the Policy, Mineral Sector Development, and Gas and Oil Development Directorates on commodity prices and royalty databases.	To train MoMP staff on how to analyze and track trends in the price and production of minerals.	Improved knowledge and skills of participants on updating and maintaining commodity prices and a global gemstone royalty database	21-23 Apr-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	A four-day Small and Medium-sized Enterprises (SME) Training for a total of 84 participants (67 males and 17 females) from MoMP, training institutes and private sector.	To empower the businesses to win contracts on international mining developments	Increased understanding of businesses on how to improve business practices and break into mining sector.	18-21 May-14	Kabul	Kabul	Kabul Star Hotel	34.531294	69.177159
Component III	A training entitled "what you need to know about mining" held for 44 provincial ministry staff, including 17 provincial directors.	To encourage the employees to educate the communities, business owners, and civil society organizations in their home regions about the benefits of mine development.	Improved knowledge of participants on mining-related issues, especially at community level	28 May-14	Kabul	Kabul	Maslakh AGS	34.529147	69.19845

Component III	A 2-day training entitled "what you need to know about mining" held for 41 participants in Badakhshan province.	To raise the awareness of provincial MoMP staff and other stakeholders on mining cycle and other mining-related issues	Improved understanding of participants regarding importance and impacts of mining at the community level	16-17 Apr-14	Badakhshan	Faizabad	Qasre Kokcha Hotel	37.11017	70.55927
Component III	Gender Training held for 16 MoMP staff.	To train on the importance of gender	Increased awareness of participants of gender importance and issues in mining sector	2 Jun-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	"Training of Trainers -What you need to know about Mining" held at AGS for MoMP staff from southern provinces. To train 37 staff, including 17 provincial directors	To raise the awareness of provincial MoMP staff and other stakeholders on mining cycle and other mining-related issues.	Increased understanding of participants and through them of the community members on the importance and impacts of mining	4 Jun-14	Kabul	Kabul	Maslakh AGS	34.529147	69.19845
Component III	Roundtable held between small business owners and representatives of financial institutions and civil society	To discuss improving access to credit and other financial tools that Afghan businesses need to join the mining sector	Improved coordination between small businesses and financial institutions	23 Jun-14	Kabul	Kabul	Kabul Star Hotel	34.531294	69.177159
Component III	Abdul Shukoor Popal, a policy analyst from the MoMP, discussed the role of resource sectors in economic development, including the lessons learned from a fellowship in Kyrgyzstan	To share the knowledge gained from a recent study tour to mining sites in Kyrgyzstan	Increased understanding of MoMP and donor projects of mining development processes in a country both geographically and politically similar to Afghanistan	21 Apr-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	Marble Center of Excellence (COE), funded by the US Department of Commerce, discussed the Afghan marble industry, its role and future vision for the future	To improve coordination between Marble Center of Excellence and the MoMP and other donor projects.	Increased understanding of the participants about the current activities, accomplishments and future plans of Marble Center of Excellence	29 Apr-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	The Gender Unit of the MoMP delivered its first ministry-wide presentation, with the support of MIDAS at knowledge hub.	To let MoMP senior staff and other donor programs representatives know about gender activities within the MoMP	Improved understanding of gender activities and problems within the MoMP and in the mining sector	12 May-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	Two Afghan-owned mineral exploration firms, Pamir Geotechnical Services and	To let MoMP and other donor projects and private firms know about	Improved coordination between MoMP and local	26 May-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603



	Omran Geotechnical, shared their activities, capacity and plans with the attendees of the Knowledge Hub	the capacity and activities of local mineral exploration firms.	Afghan firms working in the mineral exploration field.						
Component III	Afghanite and Geo Search, two firms participating in the Afghan Mining Enterprise Initiative, introduced their services to the Ministry of Mines and Petroleum at the knowledge hub session.	To let MoMP and other donor projects and private firms know about the capacity and activities of local mineral exploration firms.	Improved coordination between MoMP and local Afghan firms working in the mineral exploration field.	23 Jun-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component I	A one-day workshop on production sharing agreements (PSA) for the extractives industry was held on August 9 for 40 participants from legal directorate and other legal positions in the Ministry of Mines and Petroleum (MoMP).	To educate participants on the intensity of the negotiations process in order to better prepare them to negotiate with international firms in the future	Increased knowledge of participants of different types of contracts and financials aspects of mining contracts	09 Aug-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component II	Joint six-day large-scale exploration and reconnaissance field mission to Panjshir Province with a 10-man AGS Field Team	To provide training to AGS geologists and other support staff in the areas of sample collection, GPS records, documentation, and chain of custody of samples, as well as to collect data and samples to identify potential drilling sites for drilling operations.	Samples collected for further analysis and increased skills of AGS staff on how to identify outcrops	16-21 Aug-14	Panjshir	Paryan	Several locations		
Component II	MIDAS's joint mission launched with the 15-man AGS Topographical Mapping Field Team to the Salang Tantalum project in Parwan Province.	To collect data for a new topographic map of the project site	A new map of the Tantalum develop and ready to be used for further exploration work	Aug 30 (?) to Sept 18, 2014	Parwan	Salang	Taghma		
Component II	Advanced GIS classes held for AGS and APA staff held	To train AGS and APA staff on the use of ArcGIS 10.3, the industry-standard Geographic Information Systems (GIS) software.	Improved knowledge and skills of participants on the use of GIS software for mineral exploration and other purposes	On a regular basis in August and September	Kabul	Kabul	Maslakh AGS	34.529147	69.19845

Component III	Organized study tour to Kyrgyzstan for 9 representatives of MoMP, community groups and private sector	To help participants learn how Kyrgyzstan developed its mining industry and how to adopt best practices upon return.	Increased knowledge about mining practices in Kyrgyzstan and how the government regulates and develops the mining sector.	3-11 Aug-14	Kyrgyzstan	Bishkek	Different locations		
Component III	MIDAS held a special briefing on its activities for 40 senior officials from the Ministry of Mines and Petroleum, including the Minister, Deputy Minister of Policy and Programs, and the Heads of several Directorates.	To provide a forum to address any concerns or recommendations about project activities.	Improved understanding of MoMP officials regarding MIDAS activities and accomplishments	11 Aug-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	A three-day workshop on community engagement and business planning in the mining industry held for over 60 participants from the Ministry of Mines (MoMP) provincial office, small businesses, universities, mining development councils, and community leaders.	To build a dialog between the stakeholders of mine development; mainly, citizens, local business, government, and the mining company.	Increased knowledge of participants on the benefits from mining, how to mitigate risk and avoid conflict by settling all details on paper in advance of mine development – in the form of community development agreements	18-20 Aug-14	Bamyan	Bamyan	Noorband Qala Hotel	34.82596	67.83033
Component I	New Minerals Law seminar held for 30 employees of the legal department of MoMP	To explain the role that participants and their respective directorates play in implementing the new law.	Increased awareness of participants of their role in implementing to the new Minerals Law.	27 Sep-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component II	A week-long mission organized to the Shirbatu Granite Project area in Bamian Province with 12 geologists and engineers from the AGS Bamian Field Team.	To verify prior work done by the AGS, re-map the borders of the granite intrusion, collect samples, select areas for future tenders, and select drilling locations.	Increased skills of AGS field teams on how to select drilling locations;	14-21 Sep-14	Bamyan	Bamyan	Different locations in Shahidan		

Component III	12th session of knowledge hub held where head of Cadastre Directorate of MoMP briefed participants on cadaster directorate's functions, activities and their future plans	To provide an opportunity for cadaster department to explain its activities and future plans	Increased understanding of participants about activities, functions and future plans of cadaster department of MoMP	01 Sep-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	The Human Resource Director provided an on-screen guided tour of a new HR website that hosts a donor training tracking and management tool during the 13th session of the Knowledge Hub	to help the HR Director report to the Civil Service Commission on statistics about in-house capacity building, such as those provided by donors, which are presently not being recorded	Improved coordination among HR Department of MoMP and donor projects regarding future trainings	15 Sep-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603
Component III	The director of the Afghanistan Extractive Industries Transparency Initiative (AEITI) introduced the organization's services and goals to the Ministry of Mines and Petroleum and private companies at the 14th session of the MIDAS-spawned Knowledge Hub	To improve coordination between AEITI and the MoMP and other donor projects.	Increased understanding of the participants about the current activities, accomplishments and future plans of AEITI	22 Sep-14	Kabul	Kabul	Charahi Pashtonistan MoMP	34.520381	69.181603